

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2717-01
Bill No.: HB- 1070
Subject: Fire Protection: Sales Tax, Fire Districts
Type: Original
Date: January 3, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>All</u> State Funds *	Unknown	Unknown	Unknown

* Oversight assumes this proposal to be enabling legislation.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue** assume this proposal would have no fiscal impact.

Officials of the **State Treasurer's Office** assume no fiscal impact.

Officials of the **City of Springfield** and the **City of West Plains** assume no fiscal impact.

Oversight assumes that this is enabling legislation which would require voter approval. If voters in any county would approve the imposition of a sales tax, then the Department of Revenue would collect the tax and retain a 1% collection fee, which, would result in an increase in revenue to the State's General Revenue Fund. Local governments that would impose a voter approved sales tax would realize additional revenue which will be shown as unknown. The additional revenue collected from the sales tax would be earmarked for fire protection purposes. Oversight will show the annual estimated net effect as \$0

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE			
<u>Income</u> to Department of Revenue from 1% collection fee	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
---	---------------------	---------	---------

FIRE PROTECTION DISTRICTS

<u>Income</u> to Fire Protection Districts from sales tax of up to 1/4 of 1%	Unknown	Unknown	Unknown
--	---------	---------	---------

<u>Costs</u> to Fire Protection Districts from election, and fire services	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
--	------------------	------------------	------------------

ESTIMATED NET EFFECT TO FIRE PROTECTION DISTRICTS *	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
--	-------------------	-------------------	-------------------

***Oversight assumes this proposal is permissive and would have no fiscal impact unless voters would approve the imposition of a sales tax. Oversight assumes that costs would not exceed income, therefore, the estimated net effect would be either a positive fund balance or \$0.**

FISCAL IMPACT - Small Business

Small business located within a Fire Protection District whose voters approved the imposition of a sales tax would be fiscally impacted to the extent of collection and administration of the sales tax.

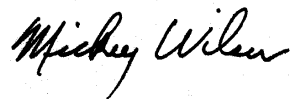
DESCRIPTION

Under current law, Raytown and municipalities having a municipal fire department are allowed to impose a sales tax of up to 0.25% on all retail sales made within the municipality. This bill allows any fire protection district to impose this tax upon voter approval. The tax is to be used exclusively for the operation of the fire department.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
State Treasurer's Office
City of Springfield
City of West Plains

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director
January 3, 2002